

# Great Parks and Safe Streets

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## THE DUTY OF A GENERATION

Earlier generations of City leaders built the Minneapolis we enjoy today. Their vision included great parks and safe streets. And they were willing to pay taxes for the City they built for us. Their investments have paid out many times over in the quality of life that defines our City, and in our economic vitality.

This legacy was entrusted to all of us, and it has not been sufficiently protected. In recent decades, both our parks and our street infrastructure have felt the brunt of funding cuts often borne of short-term thinking, anti-government ideology, and budget gimmickry. In the past decade, despite the fact that Minneapolis is a net contributor to the state budget, our Local Government Aid (LGA) was dramatically cut by the State and has never been fully restored. The impact of these state cuts was magnified by shortsighted decisions in City Hall to incur large debts in Internal Service Funds and to not challenge a broken pension system until after the costs skyrocketed.



Thanks to a lot of hard work and commitment to long-term planning, those debts have been paid, the pension system has been fixed, and the state budget has stabilized thanks to Governor Dayton and others. Minneapolis is growing and our tax base is growing with it. It is now the duty of this generation to protect the investments of earlier generations. We must reinvest in the City we love.

## CAPITAL NEEDS FOR PARKS AND STREETS

Our Park Board has identified \$15 million of annual capital needs for neighborhood parks. Our respected Public Works Director has identified \$30 million of annual capital needs for city streets.

Council Member and Budget Chair John Quincy joined with me on April 25th to announce a new proposal to reinvest in parks and streets. We would fund 2/3 of the identified need for parks and 2/3 of the identified need for streets, which balances our infrastructure needs with fiscal responsibility to provide maximum benefit without unbalancing the city budget.

- \$10 million new annual funding for Parks
- \$20 million new annual funding for Streets

Our proposal is for ten years. Of course, if approved, it could be renewed at the end of that period. It will give the City and the Park Board the opportunity to show the public that these investments are worthwhile and will be responsibly managed.

## HOW TO PAY FOR OUR FUTURE

Every plan that has been brought forward to pay for city infrastructure would raise taxes. This plan would result in roughly a 1.4% additional increase to the City's property tax levy each year over the next ten years, above the current forecasted average of 3.5%. I believe that is a price worth paying.

My proposal for parks and streets is easy to understand because I acknowledge that taxes will pay for these investments.

## GOOD NEWS

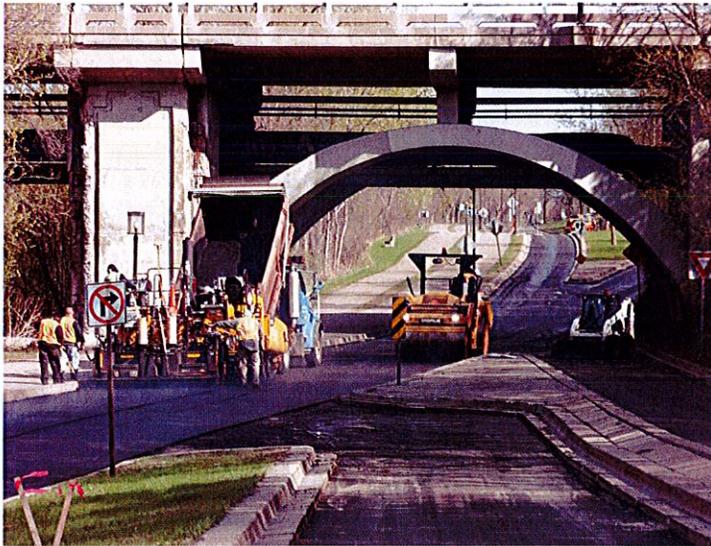
The most significant tool we have to minimize the tax impact of any infrastructure plan is the City's economic growth and expanding tax base. This good news is something all City leaders agree on. Our City is growing – and that means individual property taxpayers will not feel the full impact of a levy increase.

We've experienced this before. After Mayor Rybak took office, the property tax levy was raised by 8% seven years in a row while the City absorbed LGA cuts, paid off debts, and fought for pension reform. But most residents didn't feel as large an increase because the City tax base was growing. Today, we are growing even more.

So, an increase in the levy does not guarantee that individual tax bills will increase by the same percentage – especially as the City keeps growing. I would argue the opposite – our continued growth depends on having great parks and safe streets. Our growth and our investments in our quality of life can be part of a cycle upward in which everyone benefits.

## 21<sup>ST</sup> CENTURY CITY

These capital investments, while basic in nature, must not simply repair the infrastructure investments of the past. We must insist that the funds are invested with the values of a 21st Century City. Questions have been raised about whether the Parks funding will be invested equitably. Together, we must ensure that they are. To the credit of Council Members Johnson and Goodman, their proposal for \$8 million of new annual capital finding is strictly for neighborhood parks, since regional parks have other sources of funding. This is a good start.



The same challenge to have our investments follow our values applies to city streets. We must acknowledge that building the City of the future includes correcting mistakes of the past. In too many cases, what has held back the development we want has not been the marketplace – it has been the poor infrastructure decisions that divided city neighborhoods from one another. I will support using a portion of these dollars to reconnect our neighborhoods and open new opportunities for the kind of smart redevelopment and tax base growth that will propel our city forward. All of the streets in need of investment must be redesigned as they are rebuilt consistent with existing city policy that accommodates all users of our streets and supports sustainable development.

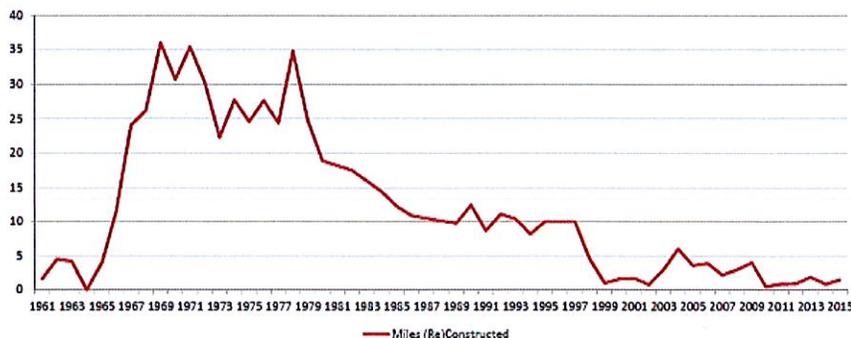
### INFRASTRUCTURE DEBT

Any decision about providing new funding for capital for parks must be made in the context of the city’s broader capital needs. It would be irresponsible to allow our city streets to deteriorate past the point of being repairable, because we know costs increase dramatically whether those streets are concrete or asphalt. We are accumulating an infrastructure debt that will be passed onto to future taxpayers if we fail to take action.

Let me show you how an earlier generation met a similar challenge – and what has happened since then. In the 1960’s and 1970’s, faced with streets that were coming to the end of their lifespan, City leaders invested in our streets.

## Street Reconstruction History

- Miles of Streets Constructed or Reconstructed (1961-2014)



## CAPITAL AND OPERATING NEEDS

My proposal is a strictly a capital proposal. That is a deliberate choice, because I want to remain open to the means of moving this forward – either a referendum or the annual budget process.

My proposal could be placed in front of the voters for their approval. The Park Board’s first choice was a referendum because they want reliability of funding – and I understand that. In that case, I would campaign for voter approval on the grounds that parks and streets are worth it.

But getting things done requires flexibility and compromise. So, together with Budget Chair Quincy, I developed a proposal that can also be approved through resolution, ordinance and the annual budget process.

The parks, just like police, fire and other services require annual operating expenses and I support an increase in their funding through the annual budget process. In my first two budgets, I incorporated into my budget recommendation for the Park Board exactly what they requested, including a 4.85% (\$2.4 million) increase in 2015 and a 4% (\$2 million) increase in 2016.

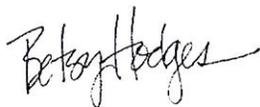
## COMPARISON OF PROPOSALS

This chart below outlines the major differences between the current proposals.

	Park Board Referendum	Johnson/Goodman	Hodges/Quincy
New Spending Committed for Parks	\$15 million; funds available for capital and operating	\$8 million for capital; \$3 million annual operating	\$10 million capital; operating TBD
New Annual Capital Spending for Streets	\$ 0	\$ 0	\$20 million
Number of Years	20	20	10
Funding Source Identified	Yes	\$3 million operating levy increase; No funds identified for capital in resolution	Yes

## COLLABORATION

It is my aim to work toward an agreement that meaningfully invests in parks and streets while also remaining faithful to the sound long-term budgeting principles that got us through our toughest fiscal years. I appreciate the proposals that have been brought forward thus far from the Park Board and from Council President Johnson and Council Member Goodman. They have advanced the conversation and my proposal developed with Budget Chair Quincy is another step in that process. I am confident that by putting all the best ideas on table we can move forward together.



Mayor Betsy Hodges